

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS**

HANS A. QUAAK, ATTILIO PO
and KARL LEIBINGER, on behalf of
themselves and those similarly situated,

Plaintiffs,

Civil Action No.: 03-11566 (PBS)

v.

DEXIA BANK BELGIUM
(formerly known as ARTESIA BANKING
CORP., SA),

Defendants.

STONINGTON PARTNERS, INC., a Delaware
Corporation, STONINGTON CAPITAL
APPRECIATION 1994 FUND L.P., a Delaware
Partnership and STONINGTON HOLDINGS,
L.L.C., a Delaware limited liability company,

Plaintiffs,

Civil Action No.: 04-10411 (PBS)

v.

DEXIA, S.A. and DEXIA BANK BELGIUM
(formerly known as ARTESIA BANKING
CORP., SA),

Defendants.

GARY B. FILLER and LAWRENCE
PERLMAN, Trustees of the TRA Rights Trust,

Plaintiffs,

Civil Action No.: 04-10477 (PBS)

v.

DEXIA, S.A. and DEXIA BANK BELGIUM
(formerly known as ARTESIA BANKING
CORP., SA),

Defendants.

JANET BAKER and JAMES BAKER,
JKBAKER LLC and JMBAKER LLC,

Plaintiffs,

v.

DEXIA, S.A. and DEXIA BANK BELGIUM
(formerly known as ARTESIA BANKING
CORP., SA),

Defendants.

Civil Action No.: 04-10501 (PBS)

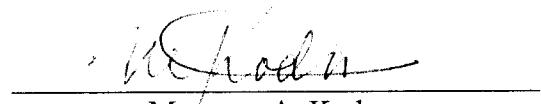
DECLARATION OF MARYANA A. KODNER

I, Maryana A. Kodner, declare and state as follows:

1. I am an attorney associated with Clifford Chance US LLP and admitted *pro hac vice* to practice before this Court. I am fully familiar with the facts set forth herein. I submit this declaration in support of Dexia Bank Belgium's Response to Plaintiffs' Statement Concerning Proposed Rule 30(b)(6) Depositions.
2. Attached hereto as Exhibit A is a true and correct copy of Dexia Bank Belgium's Second Amended Responses and Objections to Plaintiffs' Sixth Set of Interrogatories.
3. Attached hereto as Exhibit B is a true and correct copy of excerpts from the transcript of the deposition of Dirk Bruneel dated June 16, 2006.
4. Attached hereto as Exhibit C is a true and correct copy of excerpts from the transcript of the deposition of Hans Deweirdt dated June 14, 2006.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Dated: New York, New York
November 20, 2006



Maryana A. Kodner

Exhibit A

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS

HANS A. QUAAK, ATTILIO PO)	
and KARL LEIBINGER, on behalf of)	
themselves and those similarly situated,)	
)	
Plaintiffs,)	Civil Action No. 03-Civ-11566 (PBS)
)	
v.)	
)	
DEXIA BANK BELGIUM (formerly known)	
as ARTESIA BANKING CORP., S.A.),)	
)	
Defendants.)	
)	

**DEXIA BANK BELGIUM'S SECOND AMENDED RESPONSES AND OBJECTIONS
TO CLASS PLAINTIFFS' SIXTH SET OF INTERROGATORIES**

Pursuant to Rules 26 and 33 of the Federal Rules of Civil Procedure and the Local Rules of the District of Massachusetts, defendant Dexia Bank Belgium (“Dexia”) responds as follows to Class Plaintiffs’ Sixth Set of Interrogatories dated May 15, 2006.

GENERAL OBJECTIONS

1. Dexia objects to this set of interrogatories as exceeding the limit of 25 interrogatories and subparts per side provided by Federal Rule of Civil Procedure 33(a) and Local Rule 26.1(c). Depending on how subparts are counted, Plaintiffs have already served between 29 and 174 interrogatories, and Dexia has provided more than 75 pages of substantive responses to those interrogatories. This Sixth Set of Interrogatories contains between 18 and 80 additional interrogatories, depending on how subparts are counted. By any reasonable measure, Plaintiffs have exceeded the limit of 25 interrogatories and subparts. For this reason, Dexia is not under any obligation to respond to these interrogatories.

2. Dexia objects to this set of interrogatories as unduly burdensome and harassing.

Plaintiffs have waited until the last moment to serve this broad set of interrogatories, even though much of the information requested has been sought through other discovery in this litigation and, in any event, could have been sought through interrogatories served much earlier in the discovery process. These interrogatories are plainly designed to harass and impose undue burden on Dexia and its counsel during the final month of the discovery period.

3. Dexia objects to each Interrogatory, Instruction or Definition to the extent it otherwise seeks to impose obligations beyond those required by the Federal Rules of Civil Procedure and the Local Rules of this Court.

4. Dexia objects to each Interrogatory, Instruction or Definition as overly broad, unduly burdensome and not reasonably calculated to lead to the discovery of admissible evidence to the extent it seeks information concerning unidentified predecessors, successors, parents, subsidiaries, branches, divisions, affiliates, officers, directors, trustees, partners, members, employees, servants and agents of any entity.

5. Dexia objects to each Interrogatory, Instruction or Definition to the extent that it is overly broad, unduly burdensome, duplicative or seeks information that is not relevant and not reasonably calculated to lead to the discovery of admissible evidence.

6. Dexia objects to each Interrogatory, Instruction or Definition to the extent that it is vague, ambiguous or does not identify with particularity the information sought.

7. Dexia objects to each Interrogatory, Instruction or Definition to the extent that it would impose undue burden or expense on Dexia.

8. Dexia objects to each Interrogatory, Instruction or Definition to the extent that it seeks information in the possession, custody or control of Plaintiffs.

9. Dexia objects to each Interrogatory, Instruction or Definition to the extent that it seeks documents or information protected from disclosure by the attorney-client privilege, work product doctrine or other applicable privileges.

10. Dexia objects to each Interrogatory, Instruction or Definition to the extent that it calls for information that is obtainable by Plaintiffs from public sources or other sources that are also available to Plaintiffs.

11. Dexia objects to each Interrogatory, Instruction or Definition to the extent that it calls for a legal opinion or for an opinion on a mixed question of law and fact.

12. Dexia objects to the "Relevant Time Period" as overly broad, unduly burdensome and not reasonably calculated to lead to the discovery of admissible evidence.

13. Dexia's investigation of the facts relevant to this action and review of relevant documents is continuing. Dexia reserves the right to amend, modify, or supplement the Responses set forth herein to the extent required or permitted under Rule 26 of the Federal Rules of Civil Procedure. Dexia further reserves the right to rely on any facts, documents or other evidence that may develop or come to its attention at a later date.

SPECIFIC OBJECTIONS AND RESPONSES

Interrogatory No. 12: Identify any consideration given by Dexia to Jo Lernout, Pol Hauspie, or Nico Willaert in connection with any credit default swap, including the date and amount of each payment by Dexia, and indicate: (i) whether this consideration was paid by depositing the monies into accounts opened for or in the name of Messrs. Lernout, Hauspie or Willaert and, if so, the date(s) any such account was opened and who at Dexia directed these accounts to be opened; (ii) whether Dexia prepared or submitted any 281.50 forms reflecting such consideration; (iii) whether Messrs. Lernout, Hauspie or Willaert waived, repaid or otherwise forgave any consideration owned to them by Dexia in connection with any credit default swap and identify the form and manner of any such waiver/forbearance, including but not limited to any agreement(s) of waiver or "settlement" agreements entered between Dexia on the one hand and any one or more of Messrs. Lernout, Hauspie or Willaert on the other; and (iv) the reasons for such waiver, repayment or forbearance.

Response to Interrogatory No. 12

Dexia objects to this interrogatory as exceeding the limit of 25 interrogatories and subparts per side provided by Federal Rule of Civil Procedure 33(a) and Local Rule 26.1(c). Dexia objects to this interrogatory as vague and ambiguous because the term “identify” is undefined as applied to consideration. Dexia objects to this interrogatory as vague and ambiguous because the meaning of the term “directed” in the phrase “who at Dexia directed these accounts to be opening” is not clear. Dexia objects to this interrogatory as vague and ambiguous because the term “identify” is undefined as applied to “the form and manner of any such waiver/forbearance.” Dexia objects to this interrogatory as unduly burdensome to the extent it seeks information about tax forms that were “prepared” but not submitted to the tax authorities. Dexia objects to this interrogatory as unduly burdensome to the extent it seeks information concerning the “reasons” of Jo Lernout, Pol Hauspie or Nico Willaert. Dexia objects to this interrogatory as unduly burdensome to the extent it seeks information that is not, upon reasonable investigation, within the possession, custody or control of the bank.

Subject to and without waiving the foregoing objections and the General Objections, Dexia responds to interrogatory as follows:

In connection with the credit default swap with Jo Lernout, Pol Hauspie and Nico Willaert associated with the Radial loan with a trade date of June 30, 1999, Dexia paid to Lernout, Hauspie and Willaert a commission of 229,909 BEF on September 15, 1999 and a commission of 271,711 BEF on December 15, 1999. Dexia paid these commission by depositing the monies into an account in the names of Lernout, Hauspie and Willaert, opened on or about April 9, 1999. Dexia did not prepare or submit a 281.50 form reflecting this consideration.

In connection with the credit default swap with Jo Lernout and Pol Hauspie associated with the LIC loan with a trade date of December 29, 1998, Dexia paid to Lernout and Hauspie a commission of 281,111 BEF on April 27, 1999 and a commission of 189,444 BEF on June 7, 1999. Dexia paid these commission by depositing the monies into an account in the names of Lernout and Hauspie, opened on or about April 9, 1999. Dexia did not prepare or submit a 281.50 form reflecting this consideration.

In connection with the credit default swap with Jo Lernout and Pol Hauspie associated with the LIC loan with a trade date of June 30, 1999, Dexia paid to Lernout and Hauspie a commission of 235,278 BEF on September 15, 1999 and a commission of 278,056 BEF on December 15, 1999. Dexia paid these commission by depositing the monies into an account in the names of Lernout and Hauspie, opened on or about April 9, 1999. Dexia did not prepare or submit a 281.50 form reflecting this consideration.

Lernout, Hauspie and Willaert did not waive, repay or otherwise forgive any consideration owed to them by Dexia in connection with any credit default swap.

Interrogatory No. 13: Identify the total amount of consideration or financial incentive (including securities, which includes but is not limited to, stock, options or warrants to purchase stock, or any type of "equity kicker") received by Dexia from L&H or any officer or director of L&H for any services (including, but not limited to, the extension of credit or credit lines) performed by Dexia for or on behalf of each of the individuals or entities listed below:

Dictation Consortium, N.V.
 Brussels Translation Group, N.V.
 Radial Belgium, N.V.
 Language Investment Company, N.V.
 Language Development Fund
 Document Management Partners
 L&H
 Lernout & Hauspie Investment Company
 Lernout & Hauspie Holding Company, Inc.
 FLV Fund
 SAIL
 Peer Van Driesten
 Jo Lernout

Pol Hauspie
 Nico Willaert
 Gaston Bastiaens
 Dictaphone Corp.

Response to Interrogatory No. 13

Dexia objects to this interrogatory as exceeding the limit of 25 interrogatories and subparts per side provided by Federal Rule of Civil Procedure 33(a) and Local Rule 26.1(c). Dexia objects to this interrogatory as overly broad, unduly burdensome and not reasonably calculated to lead to the discovery of admissible evidence to the extent it seeks information concerning transactions that are not at issue in this litigation. Dexia objects to this interrogatory as overly broad, unduly burdensome and not reasonably calculated to lead to the discovery of admissible evidence to the extent it seeks information concerning routine banking transactions. Dexia's response to this interrogatory is limited to significant, non-routine services, including loans, investment banking services and investment management services. Dexia objects to this interrogatory as vague and ambiguous because the term "identify" is undefined as applied to "the total amount of consideration or financial incentive." Dexia objects to this interrogatory as unduly burdensome to the extent it seeks information that is not, upon reasonable investigation, within the possession, custody or control of the bank.

Subject to and notwithstanding the foregoing objections and the General Objections, Dexia responds to this interrogatory as follows:

(a) Dictation Consortium, N.V.

In June 1998, Bacob and Paribas each received warrants to purchase 200,000 shares of the Common Stock of L&H at an exercise price of \$8.69 per share and warrants to purchase 66,000 of the Common Stock of L&H at an exercise price of \$12.50 per share. A portion of these may have been granted as consideration for the Dictation Consortium loan. After a

reasonable investigation, Dexia has been unable to determine which portion of the warrants were granted in connection with this loan. Dexia's investigation of relevant facts in this litigation is ongoing and Dexia reserves the right to amend its answer to this interrogatory.

(b) Brussels Translation Group, N.V.

Dexia did not receive any consideration from L&H or any officer or director of L&H in connection with services provided to Brussels Translation Group.

(c) Radial Belgium, N.V.

Dexia did not receive any consideration from L&H or any officer or director of L&H in connection with services to Radial Belgium.

(d) Language Investment Company, N.V.

Dexia did not receive any consideration from L&H or any officer or director of L&H in connection with services to Language Investment Company.

(e) Language Development Fund

Dexia did not receive any consideration from L&H or any officer or director of L&H in connection with services to Language Development Fund.

(f) Document Management Partners

Dexia did not receive any consideration from L&H or any officer or director of L&H in connection with services to Document Management Partners.

(g) L&H

In connection with a 150,000,000 BEF revolving credit facility established by Bacob for L&H in May 1996, Bacob received 100,000 type A2 warrants. After a reasonable investigation, Dexia has been unable to determine whether it received any other consideration from L&H or any officer or director of L&H in connection with relevant services to L&H. Dexia's

investigation of relevant facts in this litigation is ongoing and Dexia reserves the right to amend its answer to this interrogatory.

In June 1998, Bacob and Paribas received warrants to purchase 100,000 shares of the Common Stock of L&H at an exercise price of \$17.35 per share and warrants to purchase 33,000 of the Common Stock of L&H at an exercise price of \$25.00 per share. A portion of these may have been granted as consideration for \$8.5 million credit facilities established by Bacob and Paribas for L&H in June 1997. After a reasonable investigation, Dexia has been unable to determine which portion of the warrants were granted in connection with this loan and whether it received any other consideration from L&H or any officer or director of L&H in connection with relevant services to L&H. Dexia's investigation of relevant facts in this litigation is ongoing and Dexia reserves the right to amend its answer to this interrogatory.

In connection with the \$430 million consortium credit facility in April 2000, Artesia received a total \$2,896,031.42 in interest and fees from L&H.

(h) Lernout & Hauspie Investment Company

In connection with a \$25 million Revolving Advance granted to LHIC as part of a December 1998 \$55 million multicurrency credit facility, Artesia received an equity kicker equaling 10% of the positive difference between:

(1) the average closing stock price of one share of common stock of LHSP over the following five trading days on the NASDAQ: two trading days preceding the repayment date of the Revolving Advance, the trading date coinciding with the repayment date of the Revolving Advance and two trading days following the repayment date of the Revolving Advance; and

(2) the average closing stock price of one share of common stock of LHSP over the following five trading days on the NASDAQ: two trading days preceding the Advance Date of the Revolving Advance, the trading date coinciding with the Advance Date of the Revolving Advance and two trading days following the Advance Date of the Revolving Advance,

multiplied by 1,250,000 with a maximum of \$750,000.

(i) Lernout & Hauspie Holding Company, Inc.

Dexia did not receive any consideration from L&H or any officer or director of L&H in connection with services to Lernout & Hauspie Holding Company, Inc.

(j) FLV Fund

After a reasonable investigation, Dexia has been unable to determine whether it received any consideration from L&H or any officer or director of L&H in connection with relevant services to FLV Fund. Dexia's investigation of relevant facts in this litigation is ongoing and Dexia reserves the right to amend its answer to this interrogatory.

(k) SAIL

Dexia did not receive any consideration from L&H or any officer or director of L&H in connection with services to SAIL.

(l) Peer Van Driesten

Dexia did not receive any consideration from L&H or any officer or director of L&H in connection with services to Peer Van Driesten.

(m) Jo Lernout

Dexia did not receive any consideration from L&H or any officer or director of L&H in connection with services to Jo Lernout.

(n) Pol Hauspie

Dexia did not receive any consideration from L&H or any officer or director of L&H in connection with services to Pol Hauspie.

(o) Nico Willaert

Dexia did not receive any consideration from L&H or any officer or director of L&H in connection with services to Nico Willaert.

(p) Gaston Bastiaens

After a reasonable investigation Dexia has been unable to determine whether it received any consideration from L&H or any officer or director of L&H in connection with relevant services to Gaston Bastiaens. Dexia's investigation of the facts in this litigation is ongoing and Dexia reserves the right to amend its answer to this interrogatory.

(q) Dictaphone Corp.

Dexia did not receive any consideration from L&H or any officer or director of L&H in connection with services to Dictaphone Corp.

Interrogatory No. 14: For all loans provided to the following individuals or entities, please provide (a) the amount of the loan, (b) the term of the loan (including any extensions), (c) the interest rate and any other consideration, financial incentive or compensation provided for the loan from any source, (d) any security or guarantee of repayment provided for the loan, (e) the date of repayment of the loan or the amount currently owed to Dexia under the loan or which was written off and (f) whether any such loans were either initially granted or the due date extended pursuant to Dexia's emergency procedures and, if so, the nature of the emergency warranting use of those procedures:

Dictation Consortium, N.V.

Brussels Translation Group, N.V.

Radial Belgium, N.V.

Language Investment Company, N.V.

Language Development Fund

Document Management Partners

L&H

Lernout & Hauspie Investment Company

Lernout & Hauspie Holding Company, Inc.

FLV Fund

SAIL
Peer Van Driesten
Jo Lernout
Pol Hauspie
Nico Willaert
Gaston Bastiaens
Dictaphone Corp.

Response to Interrogatory No. 14

Dexia objects to this interrogatory as exceeding the limit of 25 interrogatories and subparts per side provided by Federal Rule of Civil Procedure 33(a) and Local Rule 26.1(c). Dexia objects to this interrogatory as overly broad, unduly burdensome and not reasonably calculated to lead to the discovery of admissible evidence to the extent it seeks information concerning transactions that are not at issue in this litigation. Dexia objects to this interrogatory as vague and ambiguous because the meaning of the phrase "which was written off" is not clear. Dexia objects to this interrogatory as vague and ambiguous because the meaning of the phrase "pursuant to Dexia's emergency procedures" is not clear. Dexia objects to this interrogatory as unduly burdensome to the extent it seeks information that is not, upon reasonable investigation, within the possession, custody or control of the bank.

Subject to and without waiving the foregoing objections and the General Objections, Dexia responds to this interrogatory as follows:

(a) Dictation Consortium, N.V.

On or about June 24, 1997, Paribas granted a \$4.5 million bridge loan to Dictation Consortium. The initial term of this loan ended on September 30, 1997. After a reasonable investigation, Dexia has been unable to determine the interest rate for this loan. Dexia's investigation of relevant facts in this litigation is ongoing and Dexia reserves the right to amend its answer to this interrogatory. The bridge loan was guaranteed by the personal guarantees of

Lernout, Hauspie, Willaert and Cloet in the amount of \$4.5 million. The loan was repaid on or about August 12, 1997. This loan was not granted pursuant to the bank's emergency procedures.

On August 12, 1997, Bacob and Paribas jointly granted a rollover credit facility of 450,000,000 BEF to Dictation Consortium. The initial term of this loan ended on June 30, 2000. Money could be withdrawn at the achievement of certain Milestones. The interest rate for the loan was BIBOR plus 1.5% on realization of Milestones E-3 and P-3, BIBOR plus 1.25% on realization of Milestones E-4 and P-4, BIBOR plus 1% on realization of Milestones E-5 and P-5, and .75% on realization of Milestones E-6 and P-6. The banks charged 0.5% of the total loan as a file cost. In June 1998, Bacob and Paribas each received warrants to purchase 200,000 shares of the Common Stock of L&H at an exercise price of \$8.69 per share and warrants to purchase 66,000 of the Common Stock of L&H at an exercise price of \$12.50 per share. A portion of these may have been granted as consideration for the Dictation Consortium loan. After a reasonable investigation, Dexia has been unable to determine which portion of the warrants were granted in connection with this loan. Dexia's investigation of relevant facts in this litigation is ongoing and Dexia reserves the right to amend its answer to this interrogatory. The loan was guaranteed by a supplementary surety from the Flemish Region amounting to 75% of the loan's principal amount plus interest. The loan was also secured by a pledge of the business for 50,000,000 BEF plus interest, commission and other ancillary items; power of attorney to pledge the business for 175,000,000 BEF plus interest, commission and other ancillary items; a pledge of all current and future intellectual property rights, rights and claims including those resulting from the license agreement and SDCA concluded with LHSP; a surety promise relating to all current and future property rights, rights and claims including those resulting from the license agreement and SDCA concluded with LHSP; pledge of an escrow deposit relating to the source

code for the Development Software and the Dictation Software; and a pledge on the claims on the Belgian state relating to the recovery of VAT and the account where recovered VAT is deposited. In May 1998, LHSP acquired Dictation Consortium and took over the loan. The loan was reimbursed sometime in May 1999. This loan was not granted pursuant to the bank's emergency procedures.

On or about December 31, 1997, Bacob and Paribas each granted an additional loan of 75,000,000 BEF to Dictation Consortium. The initial term of the loan ended on April 30, 1998. This loan was granted on the same terms as the 450,000,000 BEF loan. 74,000,000 BEF was disbursed to Dictation Consortium on December 31, 1997. This loan was not granted pursuant to the bank's emergency procedures.

(b) Brussels Translation Group, N.V.

On or about October 10, 1997, Paribas granted a rollover credit of \$14 million to Brussels Translation Group. Money could be withdrawn at the achievement of certain milestones. The initial term of the loan ended on January 31, 2000. The interest rate for the loan was LIBOR plus 1% and the compensation for the non-utilization of the credit facility was calculated at 0.3% per trimester. A fee of 0.5% calculated over the total credit amount was assessed and the bank charged 5,000 BEF per year for managing the file. A guarantee from the Brussels Capital Region was expected for 75% of the loan, but this guarantee did not materialize. The first two disbursements of the loan were personally guaranteed by Lernout, Hauspie and Willaert in the amounts of \$3.15 million and \$6.6 million, respectively. The loan was otherwise secured by a pledge of the business for 30 million BEF plus interest, commission and other ancillary items; an authorization to the N.V. SAGIP to establish a pledge in the bank's favor of the business concern in a principal sum of 300 million BEF plus interest, commissions and other ancillary

items; a pledge of all debt claims that BTG has or shall have in the future at the expense of LHSP on the account of deliveries of goods and services and on account of all other commercial activities; a pledge of all claims that BTG has or shall have in the future at the expense of the Belgian State, Ministry of Finance, Administration of the tax over the added value, registration and domains, from the principal recoverable VAT claims; a pledge of the license agreement with LHSP; a pledge of a deposit "escrow" concerning the source code of the Machine Translation Software; and a pledge of property rights aspects of the copyrights connected to the source code of the Machine Translation Software of which BTG is the owner and of which BTG will be the owner. This loan was not granted pursuant to the bank's emergency procedures.

On or about December 30, 1998, the credit line to BTG was increased by \$3 million. This increase in credit was personally guaranteed by Lernout, Hauspie, Willaert and Cloet. In March 1999, L&H acquired BTG and took over the loan. The loan was repaid on July 30, 1999. This loan was not granted pursuant to the bank's emergency procedures.

(c) Radial Belgium, N.V.

On or about September 29, 1998, Artesia granted a credit line of 214,980,300 BEF to Radial Belgium NV. The initial term of the loan ended on December 31, 1998. On June 17, 1999, the term of the loan was extended until June 30, 1999. On October 7, 1999, the term of the loan was extended until December 15, 1999 and the credit line was decreased to 146,350,000 BEF. The bank charged a one-time fee of 10,000 BEF for the opening of the credit and 5,000 BEF per year for managing the file. After a reasonable investigation, Dexia has been unable to determine the interest rate for this loan. Dexia's investigation of relevant facts in this litigation is ongoing and Dexia reserves the right to amend its answer to this interrogatory. The bank received 865,699 BEF in 1998 and 3,217,408 BEF in 1999 as interest on this loan. A personal

guarantee from Lernout, Hauspie and Willaert was expected for this loan, but this guarantee did not materialize. The loan was repaid on or about January 5, 2000. This loan was granted pursuant to the bank's emergency procedures. After a reasonable investigation Dexia has been unable to determine the nature of the emergency warranting the use of those procedures. Dexia's investigation is ongoing and Dexia reserves the right to amend its answer to this interrogatory.

(d) Language Investment Company, N.V.

On December 22, 1998, Artesia granted a credit line of 220,000,000 BEF to Language Investment Company. The initial term of the loan ended on June 30, 1999. On September 30, 1999, the term of the loan was extended until December 15, 1999. The bank charged interest of 8.5% per year and a commission of 0.25% per calendar quarter. The bank also charged a onetime fee of 3,000 BEF for opening the credit line and 3,000 BEF per year in administrative costs. The loan was secured by: the irrevocable commitment not to alienate or use the business as a security without the bank's prior consent; the deposit as collateral of the registered shares of the Greek, Polish, Hungarian and Czech development companies; the deposit as collateral of 206 shares of Cardian and 51% of registered shares in the limited companies NDC Voice Eastern Europe, NDC Voice South America, and NDC Voice Middle East; the irrevocable obligation which Hacom N.V. and Joost Degroote undertook vis à vis the bank, to subordinate zero bonds in the amount of 192,000,000 BEF to the bank's claim during the total term of the present credit opening; and the jointly and severally indivisible security of Willem Hardeman in the amount of 220,000,000 BEF as a principal sum, to be increased with the interest charge, commissions, and all other complementary charges. The loan was repaid on or about January 5, 2000. This loan was not granted pursuant to the bank's emergency procedures.

(e) Language Development Fund

Dexia did not provide any loan to Language Development Fund.

(f) Document Management Partners

In April 2000, N.V. Gemeentekrediet, granted a bridge loan of 15,000,000 BEF to Document Management Partners. The initial term of the loan ended on June 15, 2000. The bank charged interest of EURIBOR plus 2.50% on this loan. The bank also charged a file administration fee of 20,000 BEF. The loan was secured by a pledge of 15,000,000 BEF of L&H securities and the personal guarantee of Luc Broos in the amount of 5,000,000 BEF. In July 2000, the credit was increased to 60,000,000 BEF. At the same time, the term of the loan was extended until March 1, 2001. The loan increase was guaranteed by L&H for the amount of 1,115,520.86 EUR. On February 28, 2001, the term of the loan was extended until October 1, 2001. The bank terminated the credit facility on March 30, 2001. This loan was reimbursed on or about March 30, 2001. This loan was not granted pursuant to the bank's emergency procedures.

(g) L&H

On May 2, 1996 Bacob established a 150,000,000 BEF revolving credit facility for L&H. The initial term of the loan ended on December 29, 2000. The interest rate was LIBOR plus 1%. The bank also charged a reservation commission of 1% per year and a commission of 5,000,000 BEF per year. The loan was guaranteed by a floating charge of 250,000,000 BEF, 3 years of interest, and an ancillary amount of 25,000,000 BEF. This loan was reimbursed. After a reasonable investigation Dexia has been unable to determine when this loan was reimbursed. This loan was not granted pursuant to the bank's emergency procedures.

In June 1997 Bacob established \$8,500,000 revolving credit facility also for L&H. The initial term of the loan ended on June 25, 2000. The interest rate was LIBOR plus 2.0%. The bank also charged a 1.0% commission per year. The credit facility was guaranteed by a Euro 460 million floating charge and a mandate to take a mortgage of 30,000,000 BEF. This loan was reimbursed. After a reasonable investigation Dexia has been unable to determine when this loan was reimbursed. This loan was not granted pursuant to the bank's emergency procedures.

In July 1997 Paribas also established \$8,500,000 revolving credit facility also for L&H. The initial term of the loan ended on February 28, 2001. The interest rate was LIBOR plus 2.0%. The bank charged an interest 1.0% per year for non-use of the facility and 1.0% fee on any amount repaid early. The credit facility was guaranteed by a pledge on L&H's business in the total amount of 544,250,000 BEF plus interest, commissions and other ancillary items, an additional pledge on L7H's business of 210,000,000 BEF plus interest, commissions and other ancillary items, a power of attorney to SAGIP NV to establish a mortgage to the bank benefit for 30,000,000 BEF plus interest, commissions and other ancillary items on a certain property. This loan was reimbursed. After a reasonable investigation Dexia has been unable to determine when this loan was reimbursed. This loan was not granted pursuant to the bank's emergency procedures.

In May 2000, Artesia participated in a consortium credit facility for L&H. Artesia's participation was \$50,000,000. \$44,000,000 was drawn down from Artesia's portion of the facility. The credit facility had two tranches. The term of loan for Tranche A ended on March 31, 2001. The term of the loan for Tranche B ended 5 years from the effective date of the loan. The bank charged interest of 1.0% per year on Tranche A. The bank charged starting interest of 1.75% on Tranche B, which was to vary based on the ratio of the Total Financial Debt to the

Consolidated Annualized EBITDA. The bank charged a 0.25% participation fee on Tranche B. The bank also charged a commitment fee of 0.375% per year for Tranche A and a commitment fee of 0.75% per year for Tranche B. The loan was secured by Dictaphone Corporation's guarantee of the full and prompt payment and performance of L&H's obligations. The credit facility was terminated on November 27, 2000. This loan was not reimbursed. This loan was not granted pursuant to the bank's emergency procedures.

(h) Lernout & Hauspie Investment Company

On December 18, 1998, Artesia granted a multi-currency credit facility of \$55,000,000 to LHIC. The initial term of the loan ended on December 31, 2003. On January 19, 2000, the loan was increased by \$3,000,000 and 5,000,000 NOK until February 28, 2000. On April 10, 2000, this increase was extended until April 30, 2000. Also on April 10, 2000, the loan was increased by another \$25,000,000 until July 31, 2000. The bank charged interest of LIBOR (for advances in USD), BIBOR (for advances in BEF) or EURIBOR (for advances after January 1, 1999 or in EUR) plus 1.0% from the date of signing until December 31, 1999, plus 1.5% from January 1, 2000 until December 31, 2000, and plus 2.0% from January 1, 2001 until the final maturity date. The bank charged a commitment fee of 0.5% per year from the date of signing until December 31, 1999, 0.625% from January 1, 2000 until December 31, 2000, and 0.75% from January 1, 2001 until the final maturity date. The bank also charged the following fees: \$99,687.50 from the date of signing until December 31, 1999, \$105,187.50 from January 1, 2000 until December 31, 2000, \$111,375.00 from January 1, 2001 until December 21, 2001, \$118,250.00 from January 1, 2002 until December 31, 2002, and \$126,156.25 from January 1, 2003 until the final maturity date. The loan was guaranteed by a pledge on 60,924 L&H Holding shares and a pledge on the investment portfolio of LHIC. The pledge on the investment portfolio consisted of

555,182 shares and 254,114 warrants of ViA; 183,881 Dasar Brothers shares; 3,500,000 Rapidtext shares; 635,000 Mindmaker shares; 29,326 CellPort Labs warrants; 1,800,000 shares and 200,000 warrants of Speech Machines; 53,092, 270 Mediaring shares; 29,447 SwiftTouch-Pumatech shares; 11,050,062 shares and 3,000,000 warrants of LanguageWare.Net; 551,979 GRIC shares; and 1,428,572 VASCO shares. The loan has not been reimbursed. This loan was not granted pursuant to the bank's emergency procedures.

(i) Lernout & Hauspie Holding Company, Inc.

Dexia did not provide any loan to Lernout & Hauspie Holding Company, Inc.

(j) FLV Fund

Dexia did not provide any loan to the FLV Fund.

(k) SAIL

Dexia did not provide any loan to the SAIL.

(l) Peer Van Driesten

On or about March 30, 1999, Artesia granted a credit facility of \$5,000,000 to Peer Van Driesten. The initial term of the loan ended on September 30, 1999. The bank charged interest of LIBOR plus 1.0%. The bank also charged a commission of 5,000 BEF and a file administration fee of 5,000 BEF. On July 30, 1999, this credit facility was increased to \$7,000,000 and the term of the loan was extended until December 30, 1999. The loan was extended again on or about August 11, 2000 until September 15, 2000. This loan has not been reimbursed. This loan was not granted pursuant to the bank's emergency procedures.

(m) Jo Lernout

On or about June 28, 1999, Artesia loaned \$20,000,000 to Lernout, Hauspie and Willaert. The initial term of loan ended on October 10, 1999. The loan had an interest rate of LIBOR plus

3.0%. The fee for non-utilization was 1.50% per quarter. A fee of 0.125% applied to any accelerated pay-off amount. The bank charged a one-time fee of 4,500 BEF for establishing the credit and 4,500 BEF per year for managing the file. The loan was guaranteed by a share pledge of 650,000 registered LHSP shares, being a value of minimum 120% of the credit amount. The loan was repaid on or about January 5, 2000. This loan was not granted pursuant to the bank's emergency procedures.

(n) Pol Hauspie

On or about June 28, 1999, Artesia loaned \$20,000,000 to Lernout, Hauspie and Willaert. The initial term of loan ended on October 10, 1999. The loan had an interest rate of LIBOR plus 3.0%. The fee for non-utilization was 1.50% per quarter. A fee of 0.125% applied to any accelerated pay-off amount. The bank charged a one-time fee of 4,500 BEF for establishing the credit and 4,500 BEF per year for managing the file. The loan was guaranteed by a share pledge of 650,000 registered LHSP shares, being a value of minimum 120% of the credit amount. The loan was repaid on or about January 5, 2000. This loan was not granted pursuant to the bank's emergency procedures.

(o) Nico Willaert

On or about June 28, 1999, Artesia loaned \$20,000,000 to Lernout, Hauspie and Willaert. The initial term of loan ended on October 10, 1999. The loan had an interest rate of LIBOR plus 3.0%. The fee for non-utilization was 1.50% per quarter. A fee of 0.125% applied to any accelerated pay-off amount. The bank charged a one-time fee of 4,500 BEF for establishing the credit and 4,500 BEF per year for managing the file. The loan was guaranteed by a share pledge of 650,000 registered LHSP shares, being a value of minimum 120% of the credit amount. The

loan was repaid on or about January 5, 2000. This loan was not granted pursuant to the bank's emergency procedures.

(p) Gaston Bastiaens

On or about August 5, 1997, Paribas loaned \$5,000,000 to Gaston Bastiaens. The initial term of the loan ended on September 30, 1997. A commitment fee of 750,000 BEF was paid to the bank in connection with this loan. The loan had an interest rate of LIBOR plus 1.0% and was secured by the personal guarantees of Lernout and Hauspie and a stock pledge of 300,000 shares of Common Stock beneficially owned by Oldco, N.V. The loan was reimbursed on November 7, 1997. This loan was not granted pursuant to the bank's emergency procedures.

In July 2000, Banque Artesia Nederland granted a \$25,000,000 rollover credit to Bastiaens. The initial term of the loan ended on June 30, 2002. The interest rate of the loan was LIBOR plus 3.0% (until 9/30/00), LIBOR plus 3.5% (1/10/00 until 12/31/00), LIBOR plus 4.0% (1/1/01 until 6/30/01), LIBOR plus 4.5% (7/1/01 until 12/31/01), and LIBOR plus 5.0% (1/1/02 until 6/30/02). The loan was guaranteed by a share pledge on 625,000 LHSP shares, a pledge on LHSP shares obtained from the exercise of 1,080,000 warrants, and a pledge on Bastiaens' bank account. Lernout, Hauspie and Willaert also provided supplemental guarantees. This loan has not been reimbursed. This loan was not granted pursuant to the bank's emergency procedures.

(q) Dictaphone Corp.

Dexia did not make any loan to Dictaphone Corp.

Interrogatory No. 15: Any actual or proposed public offering of stock, public offering or sale of bonds or similar type of public financing for L&H or concerning or relating to the sale of stock of L&H which Dexia participated in as an underwriter, co-underwriter or investment broker or dealer, including the date(s) and amount(s) of any such offering, the identity of any offering circular(s) for such offering(s), and the type and amount of any compensation received by Dexia due to its participation in such offering.

Response to Interrogatory No. 15

Dexia objects to this interrogatory as exceeding the limit of 25 interrogatories and subparts per side provided by Federal Rule of Civil Procedure 33(a) and Local Rule 26.1(c).

Dexia objects to this interrogatory as overly broad, unduly burdensome and not reasonably calculated to lead to the discovery of admissible evidence to the extent it seeks information concerning “proposed” transactions. Dexia objects to this interrogatory as overly broad, unduly burdensome and not reasonably calculated to lead to the discovery of admissible evidence to the extent it seeks information concerning offerings in which Dexia “participated in as . . . investment broker or dealer.” Dexia objects to this interrogatory as vague and ambiguous because it does not contain a verb seeking information from Dexia. To the extent Plaintiffs meant to include the verb “identify” at the beginning of this interrogatory, Dexia objects to this term because it is undefined as applied to “any actual or proposed public offering of stock, public offering or sale of bonds or similar type of public financing of L&H or concerning or relating to the sale of stock of L&H.” Dexia objects to this interrogatory as vague and ambiguous because the meaning of the term “offering circular” is not clear. Dexia objects to this interrogatory as cumulative because Plaintiffs have served a Rule 30(b)(6) notice seeking the same information.

Dexia objects to this interrogatory as unduly burdensome to the extent it seeks information that is not, upon reasonable investigation, within the possession, custody or control of the bank.

Subject to and notwithstanding the foregoing objections and the General Objections, Dexia states that Paribas participated as an underwriter in an offer of 2,100,000 shares of L&H common stock in September 1997. The offering was made pursuant to a prospectus filed with the SEC on September 26, 1997. Paribas received 5.5% of the price equivalent of the total number of shares underwritten by Paribas and the syndicate of underwriters offered to investors. Please see offering prospectus at DBB 064912-065090.

Interrogatory No. 16: Identify all consideration, including but in no way limited to any monetary compensation, stock, or ownership interest, distributions, or assets of any type received or obtained by Dexia in connection with, or as a result of, L&H's and/or Dictaphone Corp.'s bankruptcy proceedings in the United States or L&H's concordat in Belgium.

Response to Interrogatory No. 16

Dexia objects to this interrogatory as exceeding the limit of 25 interrogatories and subparts per side provided by Federal Rule of Civil Procedure 33(a) and Local Rule 26.1(c).

Dexia objects to this interrogatory as overly broad, unduly burdensome and not reasonably calculated to lead to the discovery of admissible evidence because the information requested is not relevant to any claim or defense in this litigation. Dexia objects to this interrogatory as unduly burdensome to the extent it seeks information that is available from public sources.

Subject to and notwithstanding the foregoing objections and the General Objections, Dexia received the following consideration, including but in no way limited to any monetary compensation, stock, or ownership interest, distributions, or assets of any type received or obtained in connection with, or as a result of, L&H's and/or Dictaphone Corp.'s bankruptcy proceedings in the United States or L&H concordat in Belgium: (1) Payment-in-Kind-Notes of Dictaphone in the following amounts: \$183,485.17 (October 2004); \$183,485.17 (April 2005); \$2,481,348.87 (June 2005); and \$672,486.04 (September 2005) for a total of \$3,520,805.25, (b) 743,478 shares of Dictaphone Stock, and (3) 7.67% interest in the Dictaphone Corporation Litigation Trust.

Interrogatory No. 17: For each of the following documents (copies of which are attached hereto), please identify the author(s), recipient(s), the date it was prepared, and the reason the document was prepared as well as how it was or is being used by Dexia:

Van Riet Deposition Exhibit 6
Van Riet Deposition Exhibit 7
Van Riet Deposition Exhibit 12
Van Riet Deposition Exhibit 16 (also marked as Piret Ex 16)
Van Riet Deposition Exhibit 17
Van Riet Deposition Exhibit 45

Van Riet Deposition Exhibit 54

Response to Interrogatory No. 17

Dexia objects to this interrogatory as exceeding the limit of 25 interrogatories and subparts per side provided by Federal Rule of Civil Procedure 33(a) and Local Rule 26.1(c). Dexia objects to this interrogatory as overly broad, unduly burdensome and not reasonably calculated to lead to the discovery of admissible evidence to the extent it seeks all authors and recipients of the documents. Dexia objects to this interrogatory as unduly burdensome to the extent it seeks the exact date on which the documents were created. Dexia objects to this interrogatory as overly broad, unduly burdensome and not reasonably calculated to lead to the discovery of admissible evidence to the extent it seeks information concerning how a document “was or is being used by Dexia.” Dexia objects to this interrogatory as vague and ambiguous because the meaning of the phrase “was or is being used by Dexia” is not clear. Dexia objects to this interrogatory as unduly burdensome to the extent it seeks information that is not, upon reasonable investigation, within the possession, custody or control of the bank.

Subject to and without waiving the foregoing objections and the General Objections, Dexia responds to this Interrogatory as follows:

(a) Van Riet Deposition Exhibit 6

This documents was drafted by Jean-Paul Cloes during the preparation of an audit report in January 2001.

(b) Van Riet Deposition Exhibit 7

This documents was drafted by Jean-Paul Cloes during the preparation of an audit in January 2001 after a meeting with Fran oise Dankelman and Geert Dauwe.

(c) Van Riet Deposition Exhibit 12

Dexia has been unable to identify the author of this document, or to obtain any further information about it.

(d) Van Riet Deposition Exhibit 16

This document was drafted by Bernard Mommens in preparation for responding to an inquiry by the Belgian Banking and Finance Commission in the spring of 2001.

(e) Van Riet Deposition Exhibit 17

This document was drafted by Catherine Decoutere while performing an audit of the L&H group and was drafted sometime during the fall of 2000 or the spring of 2001.

(f) Van Riet Deposition Exhibit 45

This document was drafted by Catherine Decoutere while performing an audit of the L&H group and was drafted sometime during the fall of 2000 or the spring of 2001.

(g) Van Riet Deposition Exhibit 54

Dexia further states that Van Riet Deposition Exhibit 54 was drafted by Bernard Lamiroy sometime during 2003 in the course of the Bank's response to the Velstra proceeding in Singapore.

Interrogatory No. 18: Identify every credit default swap contemplated or entered into by and between Dexia and any one or more of the following: L&H, Joe Lernout, Pol Hauspie, Nico Willaert, Gaston Bastiens, and/or any other L&H officer or director. For any such credit default swap(s) state (i) whether and when it was entered into and, if not, the reason it was not entered into; (ii) the underlying loan(s) to which the credit default swap(s) corresponds; (iii) the effective date of the credit default swap(s) entered into; (iv) the amount of consideration to be paid pursuant to each credit default swap entered into, when and to whom and (iv) whether any consideration was paid, and, if so, how much and when.

Response to Interrogatory No. 18

Dexia objects to this interrogatory as exceeding the limit of 25 interrogatories and subparts per side provided by Federal Rule of Civil Procedure 33(a) and Local Rule 26.1(c).

Dexia objects to this interrogatory as overly broad, unduly burdensome and not reasonably calculated to lead to the discovery of admissible evidence to the extent it seeks information concerning credit default swaps that were “contemplated” but not concluded. Dexia objects to this interrogatory as vague and ambiguous because the term “identify” is not defined as applied to credit default swaps. Dexia objects to this interrogatory as vague and ambiguous to the extent it asks Dexia to “state . . . the underlying loan(s) to which the credit default swap(s) corresponds.” Dexia objects to this interrogatory as cumulative of information sought in Interrogatory No. 12. Dexia objects to this interrogatory as unduly burdensome to the extent it seeks information that is not, upon reasonable investigation, within the possession, custody or control of the bank.

Subject to and notwithstanding the foregoing objections and the General Objections, Dexia responds to this interrogatory as follows:

1. Radial Credit Default Swaps

Artesia entered a credit default swap with Lernout, Hauspie and Willaert with an effective date of October 2, 1998. Dexia has been unable to determine the date this credit default swap was finalized, but believes that it was no earlier than April 1999. The reference loan for this credit default swap was the 214,980,300 BEF loan to Radial Belgium, N.V. The consideration to be paid by Artesia was 809,162 BEF. This consideration was not paid.

Artesia entered a credit default swap with Lernout, Hauspie and Willaert with an effective date of June 30, 1999. Dexia has been unable to determine the date this credit default swap was finalized, but believes that it was entered no earlier than September 1999. The reference loan for this credit default swap was the 214,980,300 BEF loan to Radial Belgium, N.V. The consideration to be paid by Artesia was 501,620 BEF. 229,909 BEF was paid to the

account of Lernout, Hauspie and Willaert on September 15, 1999 and 271,711 BEF was paid to the same account on December 15, 1999.

2. LIC Credit Default Swaps

Artesia entered a credit default swap with Lernout and Hauspie with an effective date of January 4, 1999. Dexia has been unable to determine the date this credit default swap was finalized, but believes that it was entered no earlier than March 1999. The reference loan for this credit default swap was the 220,000,000 BEF loan to Language Investment Company. The consideration to be paid by Artesia was 546,944 BEF. 470,555 BEF was paid to the account of Lernout and Hauspie.

Artesia entered a credit default swap with Lernout and Hauspie with an effective date of June 30, 1999. Dexia has been unable to determine the date this credit default swap was finalized, but believes that it was entered no earlier than September 1999. This reference loan for this credit default swap was the 220,000,000 BEF loan to Language Investment Company. The consideration to be paid on this swap was 513,334 BEF. 235,278 BEF was paid to the account of Lernout and Hauspie on Sept 15, 1999 and 278,056 BEF was paid to the same account on December 15, 1999.

Interrogatory No. 19: Describe the scope and nature of any due diligence performed by Dexia leading up to and in contemplation of Dexia's acquisition of Artesia, including but not limited to whether Dexia knew about Artesia's acts which Plaintiffs in this case claim constitute federal securities fraud under sections 10(b) and 20(a) of the Securities Exchange Act, and Rule 10b-5 promulgated thereunder, prior to the time Dexia performed any such due diligence and, if so, how, when and what Dexia learned and/or whether Dexia learned about Artesia's acts which Plaintiffs in this case claim constitute federal securities fraud under sections 10(b) and 20(a) in the course of Dexia performing any such due diligence and, if so, how, when and what Dexia learned and, if not, why Dexia did not learn about Artesia's acts which Plaintiffs in this case claim constitute federal securities fraud under sections 10(b) and 20(a) in the course of performing due diligence for the acquisition of Artesia.

Response to Interrogatory No. 19

Dexia objects to this interrogatory as exceeding the limit of 25 interrogatories and subparts per side provided by Federal Rule of Civil Procedure 33(a) and Local Rule 26.1(c). Dexia objects to this interrogatory as overly broad, unduly burdensome and not reasonably calculated to lead to the discovery of admissible evidence to the extent it seeks information concerning due diligence that is not related to the transactions at issue in this litigation. Dexia objects to this interrogatory as vague and ambiguous because the meaning of the phrase "scope and nature" is not clear. Dexia objects to this interrogatory as vague and ambiguous because the meaning of the phrase "Dexia knew" is not clear. Dexia objects to this interrogatory as vague and ambiguous because the meaning of the phrase "Artesia's acts which Plaintiffs in this case claim constituted federal securities fraud under sections 10(b) and 20(a) of the Securities Exchange Act, and Rule 10b-5 promulgated thereunder" is not clear. Dexia objects to this interrogatory as vague and ambiguous to the extent it seeks information concerning "why Dexia did not learn about" something. Dexia objects to this interrogatory as vague and ambiguous to the extent it seeks information known to Dexia before Dexia performed due diligence and then asks whether Dexia learned of that information during due diligence. Dexia objects to this interrogatory as cumulative because Plaintiffs have served a Rule 30(b)(6) notice seeking the same information. Dexia objects to this interrogatory as unduly burdensome to the extent it seeks information that is not, upon reasonable investigation, within the possession, custody or control of the bank.

Subject to and notwithstanding the foregoing objections and the General Objections, Dexia responds as follows: Dexia or Artesia did not conduct any due diligence of Artesia's relationship with L&H or Artesia's loans in the speech technology sector.

Interrogatory No. 20: Identify all employees, agents, officers or directors of Artesia Banking Corporation, S.A. who provided any services to Artesia Securities S.A. or who otherwise functioned, as employees, agents, officers or directors of Artesia Securities, S.A. If any such person simultaneously held positions at Artesia Banking Corporation and Artesia Securities S.A., indicate all titles or positions held at, and functions performed for, both Artesia Banking Corporation, S.A. and Artesia Securities, S.A.

Response to Interrogatory No. 20

Dexia objects to this interrogatory as exceeding the limit of 25 interrogatories and subparts per side provided by Federal Rule of Civil Procedure 33(a) and Local Rule 26.1(c). Dexia objects to this interrogatory as overly broad, unduly burdensome and not reasonably calculated to lead to the discovery of admissible evidence to the extent it seeks information on “all” employees and agents who provided “any services” to Artesia Securities or who functioned as employees or agents of Artesia Securities. Dexia objects to this interrogatory as vague and ambiguous because the meaning of the phrase “any services” is not clear. Dexia objects to this interrogatory as vague and ambiguous because the meaning of the phrase “functions performed” is not clear. Dexia objects to this interrogatory as unduly burdensome to the extent it seeks information that is not, upon reasonable investigation, within the possession, custody or control of the bank. Dexia objects to the Relevant Time Period as applied to this interrogatory as overly broad, unduly burdensome and not reasonably calculated to lead to the disclosure of admissible evidence.

Subject to and notwithstanding the foregoing objections and the General Objections, Dexia responds that the following employees, officers or directors of Artesia Banking Corporation were at some time employees, officers or directors of Artesia Securities, or members of the management committee or any credit committee of Artesia Banking and senior managers (one or two levels below the management committee) in the Investment Banking and Corporate Finance Departments of Artesia Banking who provided services to, made decisions for, acted on

behalf of, other otherwise interacted with Artesia Securities in 1999 or 2000: Rene Avonts, Dirk Bruneel, Filip De Campenaere, Stefaan Decraene, Geert Dauwe, Jacques Janssens, Claude Piret, and Philippe Steverlynck.

Dexia also states that the following individuals simultaneously held positions at Artesia Banking Corporation and Artesia Securities:

<u>Name</u>	<u>Artesia Banking Corporation Position</u>	<u>Artesia Securities Position</u>
Rene Avonts	Director	Director
Dirk Bruneel	Director	Director
Stefaan Decraene	In possession of special signatory powers	Director
Geert Dauwe	Director	Director
Claude Piret	Director	Director

Interrogatory No. 21: Identify all communications between Dexia on the one hand and L&H on the other hand concerning any loan or extension of credit of the following:

Lernout & Hauspie Investment Company
 FLV Fund
 SAIL
 Dictation Consortium, N.V.
 Brussels Translation Group, N.V.
 Radial Belgium, N.V.
 Language Investment Company N.V.
 Language Development Fund
 Jo Lernout
 Pol Hauspie
 Nico Willáert
 Gaston Bastiaens

Response to Interrogatory No. 21

Dexia objects to this interrogatory as exceeding the limit of 25 interrogatories and subparts per side provided by Federal Rule of Civil Procedure 33(a) and Local Rule 26.1(c).
 Dexia objects to this interrogatory as overly broad, unduly burdensome and not reasonably

calculated to lead to the discovery of admissible evidence to the extent it seeks information concerning transactions not at issue in this litigation. Dexia objects to this interrogatory as unduly burdensome to the extent it seeks information concerning oral communications. Dexia objects to this interrogatory as unduly burdensome and cumulative to the extent it seeks information concerning written communications because Dexia has already produced relevant written communications to Plaintiffs. Dexia objects to this interrogatory as unduly burdensome to the extent it seeks information that is not, upon reasonable investigation, within the possession, custody or control of the bank.

Interrogatory No. 22: Identify each and every Communication between Dexia, on the one hand, and KPMG or any employee, partner, agent, attorney, or representative of KPMG, on the other hand, Concerning any of the following individuals or entities, and Identify each and every document reflecting any such Communication with the following individuals or entities:

Dictation Consortium, N.V.
 Brussels Translation Group, N.V.
 Radial Belgium, N.V.
 Language Investment Company, N.V.
 Language Development Fund
 Document Management Partners
 L&H
 Lernout & Hauspie Investment Company
 Lernout & Hauspie Holding Company, Inc.
 FLV Fund
 SAIL
 Peer Van Driesten
 Jo Lernout
 Pol Hauspie
 Nico Willaert
 Gaston Bastiaens
 Dictaphone Corp.

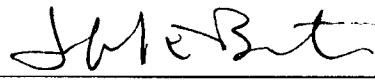
Response to Interrogatory No. 22

Dexia objects to this interrogatory as exceeding the limit of 25 interrogatories and subparts per side provided by Federal Rule of Civil Procedure 33(a) and Local Rule 26.1(c). Dexia objects to this interrogatory as overly broad, unduly burdensome and not reasonably

calculated to lead to the discovery of admissible evidence to the extent it seeks information concerning transactions not at issue in this litigation. Dexia objects to this interrogatory as unduly burdensome to the extent it seeks information concerning oral communications. Dexia objects to this interrogatory as unduly burdensome and cumulative to the extent it seeks information concerning written communications and documents reflecting communications because Dexia has already produced relevant written communications and documents reflecting communications to Plaintiffs. Dexia objects to this interrogatory as unduly burdensome to the extent it seeks information that is not, upon reasonable investigation, within the possession, custody or control of the bank.

Dated: November 17, 2006

CLIFFORD CHANCE US LLP

By: 
James B. Weidner
Jeff E. Butler
31 West 52nd Street
New York, NY 10019-6131
Tel: (212) 878-8000
Fax: (212) 878-8375

MINTZ LEVIN COHN FERRIS GLOVSKY &
POPEO
Peter M. Saparoff (BBO#567379)
Breton Leone-Quick (BBO#391000)
One Financial Center
Boston, MA 02111
Tel: (617) 542-6000
Fax: (617) 542-2241

Counsel for Dexia Bank Belgium

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of Dexia Bank Belgium's Second Amended Responses and Objections to Class Plaintiffs' Sixth Set of Interrogatories were served upon the following parties by e-mail and first class mail on November 17, 2006:

BERMAN DEVALERIO PEASE TABACCO BURT & PUCILLO

Glen DeValerio
Jeffrey C. Block
Patrick T. Egan
One Liberty Square
Boston, MA 02109
(617) 542-8300
Fax (617) 542-1194

SHALOV, STONE & BONNER LLP

Lee S. Shalov
James Bonner
Patrick L. Rocco
485 Seventh Avenue, Suite 100
New York, NY 10018
(212) 239-4340
Fax (212) 239-4310

CAULEY BOWMAN CARNEY & WILLIAMS, PLLC

J. Allen Carney
11311 Arcade Drive, Suite 200
Little Rock, AK 72212
(501) 312-8500
Fax (501) 312-8505
Counsel for Class Plaintiffs

BERNSTEIN LITOWITZ BERGER & GROSSMANN LLP

Max W. Berger
Steven B. Singer
Javier Bleichmar
Avi Josefson
1285 Avenue of the Americas
New York, NY 10019
(212) 554-1400
Fax (212) 554-1444
*Counsel for Plaintiffs Stonington Partners, Inc.,
Stonington Capital Appreciation 1994 Fund L.P.
and Stonington Holdings, L.L.C.*

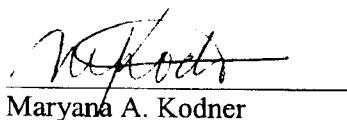
GREGORY P. JOSEPH LAW OFFICES LLC

Gregory P. Joseph
Susan M. Davies
805 Third Avenue, 31st Floor
New York, NY 10022
(212) 407-1200
Fax (212) 407-1299
*Counsel for Plaintiffs Gary B. Filler and Lawrence Perlman,
Trustees for the TRA Rights Trust*

BOIES, SCHILLER & FLEXNER LLP

Karen C. Dyer
George R. Coe
255 South Orange Avenue, Suite 905
Orlando, FL 32801
(407) 425-7118
Fax (407) 425-7047
Counsel for Plaintiffs Janet Baker, James Baker, JK Baker LLC, and JMBaker LLC

Dated: November 17, 2006



Maryana A. Kodner

Exhibit B

Mini Transcript and Word Index
To the Deposition of

Dirk Bruneel

June 16, 2006

In the case:

Quaak et al
Vs.
Dexia et al

Taken in
Brussels, Belgium

Reporting supplied by
Anglo-American Court Reporters Ltd
London England

Tel: + 44 (0) 207 264 2088

Email: info@a-acr.com

SHEET 1 PAGE 1

1

1 THE UNITED STATES DISTRICT COURT
2 FOR THE DISTRICT OF MASSACHUSETTS
3
4
5 - - - - -)
6)
7 HANS A QUAAK, ATTILIO PO and)
8 KARL LEIBINGER, on behalf of themselves)
9 and those similarly situated)
10)
11 Plaintiffs)No:
12) 03-CV-11566(PBS)
13 v .)
14 DEXIA, S.A. and DEXIA BANK BELGIUM)
15 (formerly known as ARTESIA BANKING)
16 CORP., S.A.)
17)
18 Defendants)
19 STONINGTON PARTNERS, INC., a Delaware)
20 Corporation, STONINGTON CAPITAL)
21 APPRECIATION 1994 FUND L.P., a Delaware)
22 Partnership, and STONINGTON HOLDINGS)
23 LLC., a Delaware Limited Liability)
24 Company)
25)
26 Plaintiffs)04-CV-10411(PBS)
27 v .)
28 DEXIA, S.A. and DEXIA BANK BELGIUM)
29 (formerly known as ARTESIA BANKING)
30 CORP., S.A.)
31)
32 Defendants)
33 - - - - -)
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100
101
102
103
104
105
106
107
108
109
110
111
112
113
114
115
116
117
118
119
120
121
122
123
124
125
126
127
128
129
130
131
132
133
134
135
136
137
138
139
140
141
142
143
144
145
146
147
148
149
150
151
152
153
154
155
156
157
158
159
160
161
162
163
164
165
166
167
168
169
170
171
172
173
174
175
176
177
178
179
180
181
182
183
184
185
186
187
188
189
190
191
192
193
194
195
196
197
198
199
200
201
202
203
204
205
206
207
208
209
210
211
212
213
214
215
216
217
218
219
220
221
222
223
224
225
226
227
228
229
230
231
232
233
234
235
236
237
238
239
240
241
242
243
244
245
246
247
248
249
250
251
252
253
254
255
256
257
258
259
260
261
262
263
264
265
266
267
268
269
270
271
272
273
274
275
276
277
278
279
280
281
282
283
284
285
286
287
288
289
290
291
292
293
294
295
296
297
298
299
300
301
302
303
304
305
306
307
308
309
310
311
312
313
314
315
316
317
318
319
320
321
322
323
324
325
326
327
328
329
330
331
332
333
334
335
336
337
338
339
340
341
342
343
344
345
346
347
348
349
350
351
352
353
354
355
356
357
358
359
360
361
362
363
364
365
366
367
368
369
370
371
372
373
374
375
376
377
378
379
380
381
382
383
384
385
386
387
388
389
390
391
392
393
394
395
396
397
398
399
400
401
402
403
404
405
406
407
408
409
410
411
412
413
414
415
416
417
418
419
420
421
422
423
424
425
426
427
428
429
430
431
432
433
434
435
436
437
438
439
440
441
442
443
444
445
446
447
448
449
450
451
452
453
454
455
456
457
458
459
460
461
462
463
464
465
466
467
468
469
470
471
472
473
474
475
476
477
478
479
480
481
482
483
484
485
486
487
488
489
490
491
492
493
494
495
496
497
498
499
500
501
502
503
504
505
506
507
508
509
510
511
512
513
514
515
516
517
518
519
520
521
522
523
524
525
526
527
528
529
530
531
532
533
534
535
536
537
538
539
540
541
542
543
544
545
546
547
548
549
550
551
552
553
554
555
556
557
558
559
559
560
561
562
563
564
565
566
567
568
569
569
570
571
572
573
574
575
576
577
578
579
579
580
581
582
583
584
585
586
587
588
589
589
590
591
592
593
594
595
596
597
598
599
599
600
601
602
603
604
605
606
607
608
609
609
610
611
612
613
614
615
616
617
618
619
619
620
621
622
623
624
625
626
627
628
629
629
630
631
632
633
634
635
636
637
638
639
639
640
641
642
643
644
645
646
647
648
649
649
650
651
652
653
654
655
656
657
658
659
659
660
661
662
663
664
665
666
667
668
669
669
670
671
672
673
674
675
676
677
678
679
679
680
681
682
683
684
685
686
687
688
689
689
690
691
692
693
694
695
696
697
698
699
699
700
701
702
703
704
705
706
707
708
709
709
710
711
712
713
714
715
716
717
718
719
719
720
721
722
723
724
725
726
727
728
729
729
730
731
732
733
734
735
736
737
738
739
739
740
741
742
743
744
745
746
747
748
749
749
750
751
752
753
754
755
756
757
758
759
759
760
761
762
763
764
765
766
767
768
769
769
770
771
772
773
774
775
776
777
778
779
779
780
781
782
783
784
785
786
787
788
789
789
790
791
792
793
794
795
796
797
798
799
799
800
801
802
803
804
805
806
807
808
809
809
810
811
812
813
814
815
816
817
818
819
819
820
821
822
823
824
825
826
827
828
829
829
830
831
832
833
834
835
836
837
838
839
839
840
841
842
843
844
845
846
847
848
849
849
850
851
852
853
854
855
856
857
858
859
859
860
861
862
863
864
865
866
867
868
869
869
870
871
872
873
874
875
876
877
878
879
879
880
881
882
883
884
885
886
887
888
889
889
890
891
892
893
894
895
896
897
898
899
899
900
901
902
903
904
905
906
907
908
909
909
910
911
912
913
914
915
916
917
918
919
919
920
921
922
923
924
925
926
927
928
929
929
930
931
932
933
934
935
936
937
938
939
939
940
941
942
943
944
945
946
947
948
949
949
950
951
952
953
954
955
956
957
958
959
959
960
961
962
963
964
965
966
967
968
969
969
970
971
972
973
974
975
976
977
978
979
979
980
981
982
983
984
985
986
987
988
989
989
990
991
992
993
994
995
996
997
998
999
1000
1001
1002
1003
1004
1005
1006
1007
1008
1009
1009
1010
1011
1012
1013
1014
1015
1016
1017
1018
1019
1019
1020
1021
1022
1023
1024
1025
1026
1027
1028
1029
1029
1030
1031
1032
1033
1034
1035
1036
1037
1038
1039
1039
1040
1041
1042
1043
1044
1045
1046
1047
1048
1049
1049
1050
1051
1052
1053
1054
1055
1056
1057
1058
1059
1059
1060
1061
1062
1063
1064
1065
1066
1067
1068
1069
1069
1070
1071
1072
1073
1074
1075
1076
1077
1078
1079
1079
1080
1081
1082
1083
1084
1085
1086
1087
1088
1089
1089
1090
1091
1092
1093
1094
1095
1096
1097
1098
1099
1099
1100
1101
1102
1103
1104
1105
1106
1107
1108
1109
1109
1110
1111
1112
1113
1114
1115
1116
1117
1118
1119
1119
1120
1121
1122
1123
1124
1125
1126
1127
1128
1129
1129
1130
1131
1132
1133
1134
1135
1136
1137
1138
1139
1139
1140
1141
1142
1143
1144
1145
1146
1147
1148
1149
1149
1150
1151
1152
1153
1154
1155
1156
1157
1158
1159
1159
1160
1161
1162
1163
1164
1165
1166
1167
1168
1169
1169
1170
1171
1172
1173
1174
1175
1176
1177
1178
1179
1179
1180
1181
1182
1183
1184
1185
1186
1187
1188
1189
1189
1190
1191
1192
1193
1194
1195
1196
1197
1198
1199
1199
1200
1201
1202
1203
1204
1205
1206
1207
1208
1209
1209
1210
1211
1212
1213
1214
1215
1216
1217
1218
1219
1219
1220
1221
1222
1223
1224
1225
1226
1227
1228
1229
1229
1230
1231
1232
1233
1234
1235
1236
1237
1238
1239
1239
1240
1241
1242
1243
1244
1245
1246
1247
1248
1249
1249
1250
1251
1252
1253
1254
1255
1256
1257
1258
1259
1259
1260
1261
1262
1263
1264
1265
1266
1267
1268
1269
1269
1270
1271
1272
1273
1274
1275
1276
1277
1278
1279
1279
1280
1281
1282
1283
1284
1285
1286
1287
1288
1289
1289
1290
1291
1292
1293
1294
1295
1296
1297
1298
1299
1299
1300
1301
1302
1303
1304
1305
1306
1307
1308
1309
1309
1310
1311
1312
1313
1314
1315
1316
1317
1318
1319
1319
1320
1321
1322
1323
1324
1325
1326
1327
1328
1329
1329
1330
1331
1332
1333
1334
1335
1336
1337
1338
1339
1339
1340
1341
1342
1343
1344
1345
1346
1347
1348
1349
1349
1350
1351
1352
1353
1354
1355
1356
1357
1358
1359
1359
1360
1361
1362
1363
1364
1365
1366
1367
1368
1369
1369
1370
1371
1372
1373
1374
1375
1376
1377
1378
1379
1379
1380
1381
1382
1383
1384
1385
1386
1387
1388
1389
1389
1390
1391
1392
1393
1394
1395
1396
1397
1398
1399
1399
1400
1401
1402
1403
1404
1405
1406
1407
1408
1409
1409
1410
1411
1412
1413
1414
1415
1416
1417
1418
1419
1419
1420
1421
1422
1423
1424
1425
1426
1427
1428
1429
1429
1430
1431
1432
1433
1434
1435
1436
1437
1438
1439
1439
1440
1441
1442
1443
1444
1445
1446
1447
1448
1449
1449
1450
1451
1452
1453
1454
1455
1456
1457
1458
1459
1459
1460
1461
1462
1463
1464
1465
1466
1467
1468
1469
1469
1470
1471
1472
1473
1474
1475
1476
1477
1478
1479
1479
1480
1481
1482
1483
1484
1485
1486
1487
1488
1489
1489
1490
1491
1492
1493
1494
1495
1496
1497
1498
1499
1499
1500
1501
1502
1503
1504
1505
1506
1507
1508
1509
1509
1510
1511
1512
1513
1514
1515
1516
1517
1518
1519
1519
1520
1521
1522
1523
1524
1525
1526
1527
1528
1529
1529
1530
1531
1532
1533
1534
1535
1536
1537
1538
1539
1539
1540
1541
1542
1543
1544
1545
1546
1547
1548
1549
1549
1550
1551
1552
1553
1554
1555
1556
1557
1558
1559
1559
1560
1561
1562
1563
1564
1565
1566
1567
1568
1569
1569
1570
1571
1572
1573
1574
1575
1576
1577
1578
1579
1579
1580
1581
1582
1583
1584
1585
1586
1587
1588
1589
1589
1590
1591
1592
1593
1594
1595
1596
1597
1598
1599
1599
1600
1601
1602
1603
1604
1605
1606
1607
1608
1609
1609
1610
1611
1612
1613
1614
1615
1616
1617
1618
1619
1619
1620
1621
1622
1623
1624
1625
1626
1627
1628
1629
1629
1630
1631
1632
1633
1634
1635
1636
1637
1638
1639
1639
1640
1641
1642
1643
1644
1645
1646
1647
1648
1649
1649
1650
1651
1652
1653
1654
1655
1656
1657
1658
1659
1659
1660
1661
1662
1663
1664
1665
1666
1667
1668
1669
1669
1670
1671
1672
1673
1674
1675
1676
1677
1678
1679
1679
1680
1681
1682
1683
1684
1685
1686
1687
1688
1689
1689
1690
1691
1692
1693
1694
1695
1696
1697
1698
1699
1699
1700
1701
1702
1703
1704
1705
1706
1707
1708
1709
1709
1710
1711
1712
1713
1714
1715
1716
1717
1718
1719
1719
1720
1721
1722
1723
1724
1725
1726
1727
1728
1729
1729
1730
1731
1732
1733
1734
1735
1736
1737
1738
1739
1739
1740
1741
1742
1743
1744
1745
1746
1747
1748
1749
1749
1750
1751
1752
1753
1754
1755
1756
1757
1758
1759
1759
1760
1761
1762
1763
1764
1765
1766
1767
1768
1769
1769
1770
1771
1772
1773
1774
1775
1776
1777
1778
1779
1779
1780
1781
1782
1783
1784
1785
1786
1787
1788
1789
1789
1790
1791
1792
1793
1794
1795
1796
1797
1798
1799
1799
1800
1801
1802
1803
1804
1805
1806
1807
1808
1809
1809
1810
1811
1812
1813
1814
1815
1816
1817
1818
1819
1819
1820
1821
1822
1823
1824
1825
1826
1827
1828
1829
1829
1830
1831
1832
1833
1834
1835
1836
1837
1838
1839
1839
1840
1841
1842
1843
1844
1845
1846
1847
1848
1849
1849
1850
1851
1852
1853
1854
1855
1856
1857
1858
1859
1859
1860
1861
1862
1863
1864
1865
1866
1867
1868
1869
1869
1870
1871
1872
1873
1874
1875
1876
1877
1878
1879
1879
1880
1881
1882
1883
1884
1885

1 purchase of the stock to its clients?
 2 A. You normally would have -- there is no --
 3 well, there was a clear role that running the portfolio
 4 of the bank was not influenced and should not influence
 5 the situation of the broker. The way we monitored the
 6 stock of Lernout & Hauspie in the bank had much more to
 7 do with what I already mentioned a couple of times of
 8 what is the overall exposure to Lernout & Hauspie
 9 because if you have loans, if you have exposure to
 10 companies which are depending on Lernout & Hauspie, and
 11 if you have stock of Lernout & Hauspie, that all
 12 determines your exposure.

13 So at some point in time, monitoring the
 14 exposure can be done by selling stock.
 15 Q. I am not sure I understood you clearly, but
 16 was it true that during the time period in 1999 that
 17 the bank, Artesia Bank, maintained a Chinese Wall
 18 between itself and Artesia Securities?
 19 A. As Artesia Securities was in Antwerp with a
 20 team which was basically the whole Smeets-Verbaet team,
 21 there was not a lot of contact between the two of them.
 22 Q. Right, but irrespective whether there were
 23 in fact contacts, was there an effort to maintain a
 24 Chinese Wall between the bank and Artesia Securities?
 25 A. Yes.

1 Q. In any sense. Was there any attempt by the
 2 bank to try to make those people whole?
 3 A. To make those people?
 4 Q. The people who lost money in investing in
 5 Lernout & Hauspie who were clients of the bank ----
 6 A. That we would like to compensate them, is
 7 that your question?

8 Q. Yes.
 9 A. It never occurred to us.
 10 Q. The CBF, the banking Regulators in Belgium,
 11 you have had some correspondence with them; am I right?
 12 A. Yes.
 13 Q. Can you remember when the first time you were
 14 contacted by the CBF regarding Lernout & Hauspie?
 15 A. No, I don't remember when the first time was.
 16 Q. Do you recall generally what the first
 17 inquiry from the CBF was about?
 18 MR WEIDNER: Are you going in to a new area?
 19 MR ROCCO: Yes, sure. You want to take a
 20 break?
 21 MR WEIDNER: Yes.
 22 MR ROCCO: Sure, absolutely.
 23 (Off the record at 3.51 p.m.)
 24 (Back on the record at 4.04 p.m.)
 25 BY MR ROCCO:

1 Q. And was that a policy of the bank to maintain
 2 that Chinese Wall?
 3 A. Even if it was not explicit, it was certainly
 4 implicit.
 5 Q. Do you know, whether explicit or implicit,
 6 that policy was, in fact, adhered to by the bank during
 7 that time period, 1999?
 8 A. As far as I know, yes.
 9 Q. Do you know how much stock the clients of
 10 Artesia Bank or any of its subsidiaries held at the
 11 time of the collapse of the Lernout & Hauspie
 12 share price?
 13 A. To be honest, no, I don't know.
 14 Q. Would it surprise you to learn that there
 15 were over six million shares held of Lernout & Hauspie
 16 stock by clients of the bank at the time of the end of
 17 December 2000?
 18 A. The question is would I be astonished to hear
 19 that?
 20 Q. Would you be surprised?
 21 A. Would I be surprised? It is possible.
 22 Q. Do you know whether the bank has made any
 23 attempt to recoup money for its customers who lost
 24 their funds on Lernout & Hauspie stock?
 25 A. Recoup money in what sense?

1 Q. We were talking about the CBF and the
 2 enquiries they made regarding Lernout & Hauspie.
 3 Without looking at the various correspondence to that
 4 regulatory body, do you have any recollection of what
 5 they were interested in from the bank?
 6 A. I think that basically they were concerned
 7 about the risk position of the bank, I suppose.
 8 Q. When you say that, you mean because the bank
 9 had so many loans that were related to
 10 Lernout & Hauspie, that after bankruptcy they were
 11 concerned about the financial position of the bank?
 12 A. Yes.
 13 Q. Do you recall receiving a letter from the CBF
 14 where they were concerned about the fact that the bank
 15 had not given over certain Internal Audit Reports to
 16 the CBF?
 17 A. There is no policy that requires us to
 18 provide them with the Audit Reports. They just have
 19 access to all the Audit Reports.
 20 Q. My question was a little different, though.
 21 Do you remember that the CBF took issue with the fact
 22 that the bank did not provide certain Internal
 23 Audit Reports to the CBF when they made a request?
 24 A. When they made a request? I have no knowledge
 25 of that.

1 this help you recall as to whether that was a routine
2 event?

3 A. It looks like.

4 Q. The document that I am directing your
5 attention to now, the Artesia Securities Minutes, if
6 you could turn to the third page of that document, it
7 is marked DBB-109700; do you see that?

8 A. Yes.

9 Q. Under the title "Miscellaneous", there is a
10 note about equity research; do you see that?

11 A. "Miscellaneous", yes.

12 Q. It reads, "This note summarizes a meeting
13 organized by G Van de Walle with Artesia Securities'
14 analysts. The Board of Directors stresses the
15 importance of avoiding any duplicate publication by our
16 two different sources and the need to coordinate the
17 efforts of Artesia Securities' analysts with those of
18 investment banking. The Board of Directors decides to
19 invite N Van Hove from Investment Banking in the weekly
20 meetings of the Artesia Securities analysts"; do you
21 see that?

22 A. Yes.

23 Q. Do you know whether that means that
24 Miss Van Hove attended the weekly meetings of Artesia
25 Securities' analysts?

1 Q. You can set that aside. As a member of
2 Artesia Bank's Management Board, were you familiar with
3 the practices and procedures of Artesia Securities?

4 A. Not in detail.

5 Q. So you did not have any day-to-day
6 involvement with that firm?

7 A. No, not at all.

8 Q. Did you have any involvement with the
9 management of Artesia Securities other than Mr Avonts
10 who was present on the Management Board of the bank?

11 A. No. I was, of course, as I just mentioned,
12 Chairman of the Board of Directors, but which looks at
13 accounts and results and the strategy of that entity.

14 Q. Were you directly involved in setting up
15 Artesia Securities?

16 A. No.

17 Q. Were you familiar with the way in which
18 Artesia Securities was funded?

19 A. Funded? It definitely took the money from the
20 bank; they didn't have any other resources.

21 Q. Meaning that the Artesia Banking Corporation
22 funded the operations of Artesia Securities; correct?

23 A. Yes, apart from the capital they had.

24 Q. And do you know whether Artesia Securities
25 and Artesia Banking Corporation shared similar

1 A. Does that mean that? I have the impression
2 that, in terms whenever you have an IPO coming up, and
3 we did some, that at least you need to have someone
4 from the Corporate Banking to coordinate the
5 operations. So if it would have been in that capacity,
6 there would be nothing wrong, would there.

7 Q. It says nothing here, though, about an IPO,
8 does it?

9 A. No, but they did it all the time.

10 Q. What IPO was in this time frame that you
11 remember?

12 A. I don't remember any IPO, specific names but
13 we did a series of, I believe, seven or eight IPOs in
14 that period.

15 Q. For what companies?

16 A. Smaller companies most of them.

17 Q. What -- when you -- withdrawn.

18 Do you have any specific recollection as to
19 why Miss Van Hove would be attending Artesia
20 Securities' Analyst Meetings during this time frame?

21 A. I have no knowledge of what the precise
22 reason was.

23 Q. Before viewing this note, were you aware that
24 she was attending meetings of the analysts?

25 A. I definitely did not recollect that.

1 customers?

2 A. They had different sales teams. I don't
3 remember whether they had the same customers, which
4 is not excluded, which is not a given fact either.

5 Q. You don't remember one way or the other
6 whether they had common customers with the bank; is
7 that correct?

8 A. I don't know.

9 Q. Were they located in the same building,
10 Artesia Securities and the bank?

11 A. They were located in the WTC Tower.

12 Q. That is the World Trade Center in Brussels?

13 A. Brussels, yes.

14 Q. And that is the same location the bank had an
15 office?

16 A. The bank had an office there as well.

17 Q. And they used the same Artesia logo as the
18 bank, correct, Artesia Securities?

19 A. All the companies of the group used that
20 logo.

21 Q. Did the market research arms of
22 Artesia Securities and the bank share any employees?

23 A. The market -- they were different companies
24 so they didn't share any personnel as you can't do that
25 in Belgium.

PAGE 277

277

1 Q. Well, Mr Avonts was an officer of both
2 companies, the bank and ----
3 A. Yes, but he was on the Management Board.
4 Q. Is the rule in Belgium you can have common
5 management but not common employees?
6 A. Actually it depends on the statute. If you
7 are a manager on a Management Board of a bank, then you
8 are, at the same time, a member of the Board of
9 Directors. That gives you a different situation, so you
10 could be, at the same time, Executive and Board of
11 Directors member. That is the exception to the rule,
12 but you can't have an employee working for the two
13 companies.
14 Q. Did the -- withdrawn.
15 The term "reference shareholder" are you
16 familiar with that term in Belgium?
17 A. Yes.
18 Q. What does that mean?
19 A. That is the dominant shareholder of the
20 company.
21 Q. And Artesia Banking Corporation was the
22 reference shareholder for Artesia Securities; correct?
23 A. Yes.
24 Q. Do you know whether the Artesia Securities
25 entity and Artesia Banking Corporation shared email

PAGE 279

279

1 Q. You don't ----
2 A. They did not make any final decisions on
3 that. There was a committee which was a committee which
4 was fully monitored and controlled by
5 Artesia Securities, so there is no involvement of the
6 bank.
7 Q. Were there any decisions, to your knowledge,
8 that were controlled -- investment decisions that were
9 controlled by the bank that were made by
10 Artesia Securities?
11 A. They would have related to the investments
12 linked to the company, except they would have needed a
13 new IT system, then they probably would have come to us.
14 Q. Were you aware as to whether there were any
15 accounts of bank and Artesia Securities that were
16 co-mingled together, that were shared?
17 A. That would -- well, I have no knowledge of
18 this and that is something that I don't expect to have
19 been the case.
20 Q. It will make your lawyer very happy, if not
21 you, to say that I have no further questions at this
22 time and I thank you, Mr Bruneel, for taking the time
23 to speak with us.
24 A. Okay.
25 (The deposition concluded at 5.54 p.m.)

PAGE 278

278

1 servers?
2 A. That is a detail I don't know.
3 Q. Do you know whether Artesia Banking
4 Corporation had Credit Committees that made investment
5 decisions for Artesia Securities?
6 A. Had Credit Committees that held
7 investment ----
8 Q. That made investment decisions for ----
9 A. Made investment decisions.
10 Q. ---- Artesia Securities?
11 A. I have no recollection of that. But typically
12 Artesia Securities, I don't see when they would need
13 capital because brokerage customers, they don't need
14 any capital to do that. You don't need any loans or any
15 credit decisions to do that.
16 Q. Do you know whether Artesia Securities took
17 positions for their own account in securities or other
18 investments?
19 A. Yes.
20 Q. And do you know with respect to the
21 investments that Artesia Securities made for those type
22 of investments, whether Artesia Banking Corporation had
23 a committee that made the final decision on such
24 investments?
25 A. No.

PAGE 280

280

1 CERTIFICATE OF WITNESS
2
3 I, DIRK BRUNEEL, have read the transcript of my
4 evidence contained in pages 1 to 279 inclusive and
5 certify that it is a correct and complete transcript of
6 my testimony given on Friday, 16th June 2006 (subject
7 to any corrections as per the attached errata sheets).
8
9
10
11 Signed.....
12
13 Dirk Bruneel
14
15
16
17 Dated this.....day of.....2006
18
19
20
21
22
23
24
25

Exhibit C

Mini Transcript and Word Index
To the Deposition of

Hans DeWeirdt

June 14, 2006

In the case:

Quaak et al
Vs.
Dexia et al

Taken in
Brussels, Belgium

Reporting supplied by
Anglo-American Court Reporters Ltd
London England

Tel: + 44 (0) 207 264 2088

Email: info@a-acr.com

SHEET 1 PAGE 1

1

1 THE UNITED STATES DISTRICT COURT
 2 FOR THE DISTRICT OF MASSACHUSETTS
 3
 4
 5 - - - - -)
 6) HANS A QUAAK, ATTILIO PO and)
 7 KARL LEIBINGER, on behalf of themselves)
 and those similarly situated)
 8)
 Plaintiffs) No:
 9) 03-CV-11566(PBS)
 10 v)
 11 DEXIA, S.A. and DEXIA BANK BELGIUM)
 (formerly known as ARTESIA BANKING)
 12 CORP., S.A.)
 13)
 Defendants)
 14 STONINGTON PARTNERS, INC., a Delaware)
 Corporation, STONINGTON CAPITAL)
 15 APPRECIATION 1994 FUND L.P., a Delaware)
 Partnership, and STONINGTON HOLDINGS)
 16 LLC., a Delaware Limited Liability)
 Company)
 17)
 Plaintiffs) 04-CV-10411(PBS)
 18 v)
 19 DEXIA, S.A. And DEXIA BANK BELGIUM)
 (formerly known as ARTESIA BANKING)
 20 CORP., S.A.)
 21)
 Defendants)
 22 - - - - -)
 23 *
 24
 25

PAGE 3

3

1 A P P E A R A N C E S
 2 FOR THE STONINGTON PLAINTIFFS
 3 BERNSTEIN LITOWITZ BERGER & GROSSMANN, L.L.P.
 4 BY: MR STEPHEN C. FOYTLIN
 (Attorney at Law)
 5 1285 Avenue of the Americas
 6 New York, New York 10019
 U.S.A.
 7 Telephone: (212) 554 1283
 8 Facsimile: (212) 554 1444
 Email: stephen@blbglaw.com
 9
 10 FOR DR. QUAAK and MR PO and MR LEIBINGER, CLASS
 PLAINTIFFS
 11 SHALOV STONE & BONNER, L.L.P.
 12 BY: MR PATRICK ROCCO
 13 485 Seventh Avenue
 14 Suite 1000
 New York, New York 10018
 15 U.S.A.
 16 Telephone: (212) 239 4340
 Facsimile: (212) 239 4310
 Email: procco@lawssb.com
 17
 18 FOR MR FILLER and MR PERLMAN, PLAINTIFFS
 19 GREGORY P. JOSEPH LAW OFFICES, L.L.C.
 20 BY: MS SUSAN M. DAVIES
 21 805 Third Avenue, 31st Floor
 New York, New York 10022
 22 U.S.A.
 23 Telephone: (212) 407 1208
 Facsimile: (212) 407 1274
 Email: sdavies@josephnyc.com
 24
 25

PAGE 2

2

1 - - - - -)
 2 GARY B FILLER and LAWRENCE PERLMAN,)
 trustees of the TRA Rights Trust)
 3)
 Plaintiffs)
 4 v)
 5 DEXIA, S.A. and DEXIA BANK BELGIUM)
 (formerly known as ARTESIA BANKING)
 6 CORP., S.A.)
 7)
 Defendants)
 8 JANET BAKER and JAMES BAKER JK BAKER)
 9 LLC., and JM BAKER LLC.)
 10)
 Plaintiffs)
 11 v)
 12 DEXIA S.A. and DEXIA BANK BELGIUM)
 (formerly known as ARTESIA BANKING)
 13 CORP., S.A.)
 14)
 Defendants)
 15 - - - - -)
 16
 17 Deposition of MR HANS DEWEIRD
 18 held at the office of Dal & Veldekkens,
 Rue de l'Aurore/Dageraadstraat 18
 19 Brussels, Belgium at 10.35 a.m.
 on Wednesday, 14th June 2006
 20 before Leah Willersdorf, ABIVR
 21
 22
 23
 24
 25

PAGE 4

4

1 A P P E A R A N C E S (continued)
 2 FOR THE DEFENDANTS
 3 CLIFFORD CHANCE
 4 BY: MR JAMES B. WEIDNER
 MR JEFF E. BUTLER
 5 31 West 52nd Street
 6 New York, NY 10019-6131
 U.S.A.
 7 Telephone: (212) 878 8235
 Facsimile: (212) 878 8375
 Emails: james.weidner@cliffordchance.com
 jeff.butler@cliffordchance.com
 8
 10 CLIFFORD CHANCE (BELGIUM)
 11 BENOIT ALLEMEERSCH
 KLAAS THIBAUT
 12 Avenue Louise 65, Box 2
 13 1050 Brussels
 Belgium
 14 Telephone: +32 (0)2 533 59 11
 15 Facsimile: +32 (0)2 533 59 59
 Emails: benoit.allemeersch@cliffordchance.com
 klaas.thibaut@cliffordchance.com
 16
 17 THE INTERPRETER
 18 JACQUES SABBE
 19 Kluisstraat 7
 20 9050 Gentbrugge
 Belgium
 21 Telephone: +32 (0)9 232 35 13
 22 Email: info@as-you-like-it.be
 23
 24
 25

1 formal. Lernout & Hauspie, there was only one problem;
2 it was a financial crash for the bank. We had a huge
3 amount of loans outstanding and the risk was that only
4 a little part of it should be recovered.

5 I have discussed with Mrs Decamps that the
6 amount of provisions -- in reality, it is -- (through
7 the interpreter) There is a distinction to be made
8 between what are called provisions and what are called
9 "waardevermindering".

10 THE INTERPRETER: Which is, literally
11 translated as "value reductions", so losses really.

12 THE WITNESS: Impairments. Impairments?

13 THE INTERPRETER: Impairments, yes. That is a
14 good term.

15 THE WITNESS: And if there are not provisions
16 for loans so you have to discuss about impairments and
17 we have discussed to see that the amount that could not
18 be recovered was correctly estimated and was translated
19 in the fair price for Artesia. But there was no
20 indication of other incident, other problems. Nobody
21 was aware and I believe that people have spoken very
22 honestly towards me.

23 BY MS DAVIES:

24 Q. Mr Piret participated in the due diligence
25 process?

1 (Deweirdt Exhibit 4 marked)

2 Q. Have you seen this document before?

3 A. I suppose, because it is addressed and copied
4 to me.

5 Q. Okay. This is a one-page document and it is
6 Bates-numbered DBB-144268. Do you recognize the
7 handwriting on this document?

8 A. No. No. It is possibly the handwriting of one
9 of the people, of one of my auditors but I don't know
10 their handwriting.

11 Q. This email is from Mr Dierckx?

12 A. Dierckx, yes.

13 Q. It sets forth a division of responsibilities
14 for the L&H file. Is this a division of
15 responsibilities among the people within
16 Audit & Control?

17 A. Frank Dierckx gives here his instruction to
18 his different subordinates, what each of them has to do
19 in the coming weeks.

20 Q. It says that this is the division of
21 responsibilities until the "middle of August." What was
22 the significance of the middle of August?

23 A. Because we are here in July and it is towards
24 such an inquiry. It is normal that we get instructions
25 for two weeks and that we cannot say what people shall

1 A. He was a member of the Management Committee
2 of Artesia.

3 Q. Artesia.

4 A. I have not visited all the people of the
5 Management Committee. I have spoken to the people who
6 were, at that moment, in function in the bank.

7 Q. I am sorry. The other person whose name you
8 mentioned, could you spell that name for us, please?

9 A. Onclin.

10 THE INTERPRETER: Onclin which we had.

11 THE WITNESS: I have already.

12 MS DAVIES: Okay. O-N-C-L-I-N.

13 THE INTERPRETER that is right.

14 THE WITNESS: Former President of the bank.

15 BY MS DAVIES:

16 Q. Okay. Did you speak with Mr Bruneel?

17 A. No, because Mr Bruneel was not in Dexia Bank
18 I think at that moment but in Dexia Group and that
19 is not my authority to speak with him.

20 Q. Was Dexia Group involved in the acquisition
21 process for Artesia?

22 A. Of course.

23 Q. Was Mr Bruneel involved in the acquisition
24 process?

25 A. Of course. He was President of Artesia.

1 do in September.

2 Q. Okay. Do you have an understanding, in the
3 assignment given to Marie-France, the second paragraph
4 says, "Strategy FO market room with regard to
5 transactions in the LHSP share portfolio. Potential
6 links in applied strategy between ABC (Artesia Banking
7 Corporation) and Securities." Does that mean
8 Artesia Securities?

9 A. I suppose so. I am not sure. I think so, yes.
10 ABC Securities, I think so, yes.

11 Q. Can you explain to me what you understand,
12 from these two sentences, what was Marie-France
13 investigating here?

14 A. She had to look if there existed specific
15 instructions towards transactions for the stock
16 Lernout, to see if front office received instructions
17 to deal in portfolio of Lernout & Hauspie and on which
18 moment to see if there was a strategy established
19 towards those transactions.

20 Q. Was Marie-France able to determine whether
21 there was a strategy?

22 A. Certainly, yes. Of course.

23 Q. Can you tell me what the result of your
24 investigation was?

25 A. There was no strategy. By "strategy", I mean

1 a formal set of instructions to do this or to do this
 2 with Lernout & Hauspie actions, when this or that
 3 occurs, (through the interpreter) "actions" meaning
 4 shares. (In person) Actions meaning shares.

5 Q. In the written notes, do you know how
 6 Marie-France was able to determine there was no such
 7 strategy?

8 A. She was able to determine because existence
 9 of such a strategy was not a technical issue, but a
 10 question of to integrate responsible people from -----

11 Q. The market room.

12 THE INTERPRETER: The market room, yes. That's
 13 right. Yes.

14 THE WITNESS: The market room, to see if they
 15 had documentation about it and if they -- because it is
 16 an instruction of the responsibility of market room, to
 17 his dealers to say you have to do this and this when
 18 this occurs.

19 So it was an easy interrogation for an
 20 auditor to see if there were instructions on it.

21 BY MS DAVIES:

22 Q. Did she investigate whether there were any
 23 unwritten instructions?

24 A. Of course because it is part of the normal
 25 work of an internal auditor to interrogate all the

1 all the documents that were relevant for the activities
 2 of Audit were in the hands of Frank Dierckx,
 3 responsible for the organization of that, and he has
 4 given the entirety of his archive to Legal, yes. So if
 5 there were notes, they were in the files in the
 6 possession of my associate, Frank Dierckx.

7 Q. In the handwritten section of this document,
 8 the point number one appears to say, "Obtain
 9 certainty/guarantee for the graphical diagram".

10 A. Mmm-hmm.

11 Q. And then "Did no TFT occur to and from A/S."
 12 Do you have any understanding of what TFT stands for?

13 A. Transfer. "TFT" I think is transfer.

14 Q. Transfer?

15 A. Transfer. I think. I think transfer, that is
 16 true. Transfers to and from A/S, yes.

17 Q. A/S, Artesia Securities?

18 A. It is not my writing, I don't know but
 19 I suppose that it is Artesia Securities, yes.

20 Q. At point number three, it says, "Why trading
 21 activities, August 9 of 2000."

22 A. Mmm-hmm.

23 Q. Do you have any understanding that there was
 24 an issue about trading activities on that date?

25 A. It is a question, I suppose, from one of the

1 people and the dealers to hear if they had
 2 instructions, written or not written. Of course.

3 Q. Who did she interview?

4 A. I don't know. I don't know. You should ask to
 5 her.

6 Q. Did she keep any notes or records of her
 7 interviews?

8 A. I don't know.

9 Q. Is it part of normal audit procedure to keep
 10 notes or memos of interviews?

11 A. Yes.

12 MS DAVIES: Counsel, have those documents been
 13 turned over to us?

14 MR WEIDNER: I don't know whether there are
 15 any at all, so I really can't answer the question.

16 MS DAVIES: I don't believe that we have seen
 17 any documents like that.

18 MR WEIDNER: There may not be but I just can't
 19 answer your question.

20 BY MS DAVIES:

21 Q. When the Audit & Control group turned over
 22 all their files about Lernout & Hauspie to the
 23 Legal Department, would Marie-France have turned over
 24 her notes of interviews to the Legal Department?

25 A. If there were any notes, I suppose so because

1 auditors to further examine the trading activities in
 2 that period, that they had to do it again or do it, to
 3 start doing it, I don't know. These are instructions
 4 pending the inquiry.

5 Q. But do you understand why there would be
 6 instructions about trading on August 9, 2000?

7 A. No.

8 (Deweirdt Exhibit 5 marked)

9 Q. For the record, Deweirdt Exhibit 5 is a
 10 three-page document, Bates-stamped DBB-130479 through
 11 DBB-130481. Have you seen this document before?

12 A. Mmm-hmm. It is a note from

13 Marie-France Van Caillie to me.

14 Q. Did you receive this note on or around
 15 August 18, 2003?

16 A. Probably, yes.

17 Q. Does this note describe the status of the
 18 work of the Audit & Control group on the
 19 Lernout & Hauspie investigation?

20 A. Yes. It is intermediary stages of -- (through
 21 the interpreter) progress report. (In person) Progress
 22 report, yes.

23 THE INTERPRETER: Yes.

24 BY MS DAVIES:

25 Q. On the first page under the heading No. 1,